

## Message Text

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PAGE 01 HONG K 08185 271215Z  
ACTION COME-00

INFO OCT-01 EA-12 ISO-00 EB-08 /021 W  
-----052498 271219Z /40

P 270909Z JUN 78  
FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC PRIORITY 1136

UNCLAS HONG KONG 8185

E.O. 11652: N/A  
TAGS: BEXP HK  
SUBJECT: TEMPS' CASE NO. TEX 0101 FOR AMF

REF: STATE 124763

1. HKG 1977 IMPORT STATISTICS, UNDER "SEWING MACHINES, INDUSTRIAL MAINLY GARMENTS" (SITC 717302) STATED TOTAL OF HK\$117,993,786 AND 84,923 UNITS OF MACHINES WERE IMPORTED.

JAPAN TOPPED THE LIST WITH TOTAL VALUE OF HK\$89,903,855 AND 72,015 UNITS. U.S. SCORED 2ND POSITION WITH HK\$9,925,796 AND 3,622 UNITS OF MACHINES. OTHER LEADING IMPORTING COUNTRIES WERE WEST GERMANY HK\$7,555,739 AND 1,840 UNITS; ITALY HK\$3,782,920 AND 789 UNITS; SOUTH KOREA HK\$2,750,692 AND 2,908 UNITS; AND U.K. HK\$2,678,433, AND 2,410 UNITS.

2. ANALYSIS OF COMPETITIVE SITUATION: INDUSTRY SOURCE REVEALED JAPANESE MACHINES HAVE 20 - 30 PERCENT PRICE ADVANTAGE, LESS THAN A MONTH DELIVERY TIME VS. 3-4 MONTHS U.S. DELIVERY AND GUARANTEED CONTINUOUS SUPPLY OF SPARE PARTS. AGENTS OF U.S. MACHINES NORMALLY MAINTAIN ONLY LIMITED STOCK IN COMMON SPARE PARTS.

3. STATUS AND FUTURE PLANS OF GARMENT MAKER INDUSTRY: POST PRELIMINARY ENQUIRY INDICATES LITTLE EXPANSION CONTEMPLATED OVER SHORT-TERM DUE TO CURRENT UNCERTAINTIES CREATED BY RECENT TEXTILE NEGOTIATIONS WHICH SEVERELY LIMITED ANNUAL GROWTH.

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5. NUMBER OF SEWING MACHINES MANUFACTURERS: HONG KONG HAS NO REPEAT NO MANUFACTURER OR ASSEMBLER OF INDUSTRIAL SEWING MACHINES FOR GARMENTS.

6. TECHNICAL REQUIRMENTS: WITH THE HARSH TEXTILE RESTRICTIONS FACING LOCAL TEXTILE INDUSTRY, NO NEW GARMENT FACTORIES ARE

LIKELY TO "ESTABLISHED" IN THE FORESEEABLE FUTURE, HOWEVER, HONG KONG GARMENT INDUSTRY REQUIRES SOPHISTICATED, FULLY AUTOMATED MACHINES TO REPLACE ITS OLD EQUIPMENT IN ORDER TO MAINTAIN ITS QUALITY AND COMPETITIVENESS IN THE WORLD MARKET.

7. CREDIT PRACTICES: THE NORMAL TERM OF PAYMENT IS BY IRREVOCABLE LETTER OF CREDIT. LOCAL FINANCING, USUALLY THROUGH LOCAL BANKS, HAS INCREASED IN POPULARITY IN RECENT TIMES.

8. MORE DETAILED ANALYSIS WOULD REQUIRE SUBSTANTIAL POST RESOURCES. WE NOTE THAT DATA AVAILABLE FROM HKG SOURCES IS AGGREGATE IN NATURE AS SHOWN UNDER SITC 717302. DISAGGREGATION INTO VALID NUMBERS FOR INDIVIDUAL TYPES OF SEWING MACHINES. WOULD REQUIRE EXTENSIVE MARKET ANALYSIS. SHOESMITH

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014